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1. Purpose

C40 Cities Climate Leadership Group Inc. ("C40 Inc."), and its subsidiaries and affiliates (collectively, "C40"), is committed to the highest global standard of ethical business conduct. C40 conducts all operations in a proper, fair, impartial, and ethical manner -- avoiding even the appearance of impropriety -- and will only do business with others who share our values and standards of conduct.

The purpose of this document is to provide C40's over-arching policy on Ethical Business Conduct and associated policies (Anti-Fraud, Gifts and Anti-Bribery, Payment to Government Officials, Conflicts of Interest, and Doing Business with Responsible Entities policies). This document also refers to the Reporting Process and Serious Unethical Conduct Response Plan, which outline the actions to be taken if any instances of serious unethical conduct are identified or suspected.

2. Scope

This Ethical Business Conduct Policy and associated policies (Anti-Fraud, Gifts and Anti-Bribery, Payment to Government Officials, Conflicts of Interest, and Doing Business with Responsible Entities policies) applies to the C40 Boards, officers, members, employees, non-payroll staff, secondees, agents, partners, volunteers and other representatives (collectively, "staff" or "employees") of C40 throughout the world. In the event that the law or approach to compliance in the jurisdiction of a subsidiary or affiliate conflicts with this Policy, the requirements of the country that necessitate stricter or additional requirements shall be applied by that subsidiary or affiliate.

In the context of this Policy, Third-Party Representative means any individual or organization that C40 works or contracts with. This includes agents, consultants, joint venture partners, contractors, grantees or other individuals or entities that act on behalf of C40.

3. Ethical Business Conduct Policy

All C40 employees and Third-Party Representatives must observe and maintain high standards of ethical conduct in their relationships with clients, suppliers, subcontractors, communities, fellow employees, beneficiaries, grantees and others, wherever they work. C40 entities and affiliates, and their employees worldwide, will act in full compliance with all applicable laws and regulations in countries where C40 conducts business. Any action taken by C40, its employees, and Third-Party Representatives must be fully justifiable and not raise questions as to the company's ethical conduct, honesty, impartiality, or reputation, or otherwise cause

embarrassment to C40. Failure to comply with these standards may result in disciplinary action, including termination.

C40 maintains a Compliance Program, implemented by the Global Compliance Officer, to communicate its commitment to ethical business conduct in accordance with C40 values, and to ensure compliance with all applicable laws, rules, and regulations. This program informs employees world-wide of C40 policies and guidance concerning ethical business conduct and help them to resolve questions and report suspected violations.

C40 periodically conducts training on this Policy. All relevant persons should receive training in the following elements:

- Definitions and examples of unethical business conduct
- Reporting Unethical Business Conduct Process
    - What to report
    - How to report
    - Confidentiality and protections related to reporting concerns
- Key steps of how reported suspicions are handled, e.g. thorough and unbiased fact-finding investigation and appropriate corrective action taken.

In the event material instances of unethical conduct are identified, C40 will undertake the appropriate root cause analysis and corresponding corrective actions to mitigate the likelihood of recurrence.

C40 staff have a responsibility to report concerns relating to unethical business practices. Retaliation against those who come forward to raise concerns will not be tolerated. More information relating to reporting of concerns can be found in the Whistleblower Policy.

4. Anti-Fraud Policy

C40 takes a zero-tolerance approach to any incidents of C40 staff or Third-Party Representatives engaging in intentional fraud, and if proven, will constitute an act of gross misconduct that will result in disciplinary action up to and including summary dismissal in accordance with the C40 Group's Disciplinary Policy.

Definition of Fraud: Fraud is the deliberate practice of deception which leads to financial loss to an organization or donor, and usually also results in financial gain to the fraudster. The term is used to describe a whole range of activities such as deception, bribery, forgery, extortion, corruption, theft, scams, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, money laundering, and collusion. The term also includes the use of information technology equipment to manipulate programs or data dishonestly, the theft of IT equipment and software, and the intentional misuse of computing and network resources.

All C40 staff should understand the risk of fraud faced by the organisation. Fraud is serious and diverts resources away from C40's primary objectives, undermines our credibility, can directly impact our ability to pursue C40's mission, and may result in criminal prosecution.

Examples of fraud include:

- stealing or unauthorized use of C40 money or assets
- abuse of procurement process, often collusion with suppliers to pay inflated prices or receive kickbacks
- misrepresenting any material fact to donors, including project performance, costs, level of effort, etc.
- forgery or alteration of documents or accounts
- inflating hours for timekeeping, where applicable
- submitting inflated expenses for reimbursement
- resources given to ghost staff or beneficiaries, who do not really exist

C40 shall ensure that all disclosures made in financial reports and public documents are full, fair, accurate, timely and understandable. This obligation applies to all employees with any responsibility for the preparation of such reports, including drafting, reviewing and signing or certifying the information contained therein. Employees are prohibited from misrepresenting facts or falsifying records, and may not interfere with any auditor engaged to perform an audit of C40's books, records, processes or internal controls.

All C40 staff have responsibility for fraud prevention, detection and reporting. If any C40 staff suspect or have reason to believe that fraud is being perpetrated or attempted, they have a responsibility to report it pursuant to the Reporting Unethical Business Conduct procedure described below. Failure to report credible evidence of fraud may result in disciplinary action.

5. Gift and Anti-Bribery Policy

C40 takes a zero-tolerance approach to any incidents of C40 staff or Third-Party Representatives offering or receiving a bribe or facilitating bribery, and, if proven, such acts will constitute an act of gross misconduct that will result in disciplinary action up to and including summary dismissal in accordance with the C40 Group's Disciplinary Policy. Bribery is unethical and illegal, and may result in criminal prosecution (e.g., for violations of the U.K. Bribery Act or the U.S. Foreign Corrupt Practices Act). C40 strictly prohibits bribery in any form, and C40 staff must report all instances of actual or attempted bribery, even if the bribe was refused.

Definition of Bribery: Bribery is when you ask for, receive, authorise, offer, are offered, promise, or give a payment, gift, favour, service, entertainment, or other item of value or other advantage to induce a third-party to carry out an improper act or to improperly influence them in the performance of their duties, except for a gift, hospitality, or entertainment that is otherwise acceptable under this Policy described herein.

The prohibition on bribery covers C40's staff interactions with all persons, including Government Officials, third-party representatives, and any other individual or entity that C40 staff interacts with.

This policy also covers payments of cash, job offers, or any other item of value made to an individual (as opposed to a fee, tax, etc. made to a government agency) to expedite or secure the performance of a routine, non-discretionary administrative action. Such payments—which are often called Facilitating Payments—are illegal in many countries. Facilitating Payments are strongly discouraged and are permissible only in extraordinary circumstances.

C40 does not accept and will not make any form of Facilitating Payments of any nature. C40 recognises that, despite its strict policy on Facilitating Payments, staff may face a situation where avoiding a Facilitating Payment may put their/their family's/other's personal security at risk. Staff may, therefore, be permitted to make Facilitating Payments only in exceptional circumstances, where they have genuine concerns about their, their family, or others' health, safety, liberty, or wellbeing and there is no reasonable alternative but to make such a payment. C40 staff must notify the Global Compliance Officer at Ethics@C40.org as soon as possible after the payment has been made.

5.1 Entertainment and Gifts

While entertainment and gifts are not prohibited under this policy, common sense and good judgment should be exercised when offering or receiving entertainment and gifts in connection with C40 activities. Such entertainment and gifts must not constitute, nor be reasonably perceived as constituting, unfair business inducements that would violate any laws, regulations or policies of C40 or its clients, suppliers, partners, contractors, subcontractors or Third-Party Representatives, nor cause embarrassment nor reflect negatively on C40's reputation.

Definition of Entertainment and Gifts: "Entertainment" is participation in events with a social aspect -- such as meals, conferences, shows or sporting events -- which are offered free of charge or at reduced rates. "Gifts" refers to goods, services or cash offered to or by staff or board members, or their friends or family or associates, at free or preferential rates.

When offers of Gifts and Entertainment are made or accepted in situations where they are not appropriate, they can look like, or may in fact be, bribes**.** They can expose C40 to accusations of unfairness or even break the law and can put our reputation for ethical behaviour at risk.

Entertainment and Gifts are only permissible under the following circumstances:

- When providing Entertainment or Gifts, the gift must not be prohibited by Section 5.2 below and the expense must be completely and accurately documented with appropriate receipts, including documenting the name and title of each recipient, and the entity with which he or she is affiliated. All gifts with a value exceeding $50 will be recorded by the Global Compliance Officer on the C40 tracker.
- When receiving Entertainment or Gifts, the gifts/entertainment must not be prohibited by Section 5.2 below and it must be completely and accurately documented, including documenting the estimated fair market value, the name and title of the provider, and the entity with which he or she is affiliated.
- A Gift or Entertainment must not be provided or received in violation of any applicable law or ethical standard.

5.2 Prohibited Entertainment and Gifts

The following entertainment and gifts may never be offered or accepted and will always be deemed inappropriate.

- Cash of any amount
- Any Gift or Entertainment with a value exceeding $50 (or equivalent in local currency), without review by the Global Compliance Officer and approval from the Director of Corporate Services. All gifts with a value exceeding $50 will be recorded by the Global Compliance Officer on the C40 tracker.
- Any series of Gifts or Entertainment from a single organization or individual where the total value conferred in one year exceeds $100, without review by the Global Compliance Officer and approval from the Director of Corporate Services.
- Any Gifts from existing suppliers or prospective suppliers while a tender process is underway with that supplier.
- Any Gifts from suppliers to staff involved in supplier selection decisions
- Entertainment involving gambling, anything of a sexual nature or exploitation of others.
- Other gifts, entertainment, or transfers of items of value (such as loans or forgiveness of debt) that present the likelihood of improperly influencing staff of Third-Party decisions.

C40 staff are responsible to know and comply if applicable local laws or regulations impose lower monetary thresholds on gifts than those described above.

C40 staff should never solicit or request a Gift or Entertainment. If C40 staff are uncertain whether a particular offer for Gifts or Entertainment is permissible, they should contact the Global Compliance Officer at Ethics@C40.org for guidance.

5.3 Permissible Hospitality and Travel

It is permissible under this policy to provide for reasonable hospitality and travel for certain individuals, including Government Officials, in connection with C40's business activities. Hospitality (meals and accommodations) and travel (flights, taxis, etc.) must be reasonable in value, appropriate under the circumstances, and must not be lavish. Hospitality and travel must never compromise, or give the appearance of compromising, the ability of the recipient to make objective and fair decisions or to properly perform their function or role. In those circumstances, the hospitality or travel could constitute or be perceived as a bribe.

Hospitality and travel must only be provided in compliance with the following requirements:

- The expense must be reasonable, appropriate, consistent with customary business practice, and not lavish.

- The expense must be openly incurred; that is, there must be no effort made to conceal the facts by either the donor or the recipient.
- When providing hospitality or travel, the expense should be paid directly to the applicable vendor (i.e., the restaurant, hotel, airline or other venue) and not to a Third-Party Representative or to the person receiving the hospitality or travel such as through financial reimbursements.
- When providing hospitality or travel, the expense must be completely and accurately documented with appropriate receipts, including documenting the name and title of each recipient and the entity with which he or she is affiliated.
- The expense must not be in violation of any applicable law or ethical standard.
- Hospitality or travel must never be provided for guests of C40 invitees, including spouses or children.
- Hospitality or travel provided to a participant in a C40 business meeting, conference, or comparable event must only be provided if such expenses are necessary for C40 business. Side trips, or trip extensions, must never be paid for.

6. Payment to Government Officials ("PTGO") Policy

It is C40 policy to perform heightened scrutiny of payments and transfers of other things of value to government officials (collectively, "payments to government officials" or "PTGO") as PTGOs create significant risks and may have the appearance of unethical conduct. Accordingly, payments and other transfers of things of value to government officials and their families, which are not prohibited by any applicable legislation and this policy, must be subject to heightened review and the approval process described below.

C40 staff are responsible to know of any specific jurisdictional requirements relating to PTGO's and ensuring any proposed gifts are in compliance with applicable regulations.

6.1 Definition of a Government Official

In the context of this Policy, a Government Official is an official, employee, director, officer, agent, representative, or other person acting in an official capacity on behalf of a government, or any department or other subdivision thereof. This term also includes: (i) any legislative, administrative, or judicial body; (ii) any public international organization (e.g., the United Nations, the World Bank, the European Union, the World Trade Organization, the North Atlantic Treaty Organization, etc.); (iii) any government-owned or government-controlled commercial enterprise; and/or (iv) any candidate for political office. A Government Official also includes any

immediate relative of the foregoing, such as a spouse, parent, child, sibling, grandparent, or grandchild.

6.2 Procedure for Approving PTGO

Before providing any payment or transfer of something of value to a Government Official, C40 staff should submit a request to the Global Compliance Officer at Ethics@C40.org for approval and confirmation that the PTGO does not create a conflict of interest or is otherwise inconsistent with this Policy or applicable laws or regulations.

6.3 Political or charitable contributions

C40 money or resources cannot be used to make political or charitable contributions. Such contributions could violate applicable anti-bribery or other anticorruption laws if the charitable contribution is intended to induce the recipient or another third-party to perform an improper act or to improperly influence the recipient in the performance of their duties. This is a particular risk where the donation is made at the behest of a Government Official or if a Government Official were to have any connection to a charitable organization.

7. Conflict of Interest Policy[1]

A conflict of interest exists where a C40 staff member has a financial interest, relationship or a friendship which could, or could be seen to, interfere with their ability to decide an issue in the best interests of C40. Both actual conflicts of interest and relationships, or activities that create the appearance of conflict of interest, must be avoided.

It is C40 policy that all conflicts of interest (1) must be declared, (2) managed to mitigate the associated risks, and (3) documented to ensure transparency and accountability.

7.1 Conflict of Interest Definitions

1. Immediate Family Member—includes an employee's spouse, domestic partner, child or stepchild, parent, parent-in-law, sibling, and anyone sharing the employee's household (other than a tenant or employee).
2. Relative—includes an employee's grandparents, spouse's grandparents, grandchildren, great-grandchildren, stepsiblings, half-sibling, uncles, aunts, nephews, nieces and cousins.

[1] The Board is subject to the Conflict of Interest Policy for the Board of Directors. If you have questions on this policy, please reach out to a member of the Governance team.

3. Financial Interest or Financial Involvement—may include transactions involving cash, securities, loans, forgiveness of debt, non-cash trades or benefits, or ownership interests.
4. Passive Investment—a purely financial involvement in an organization for which the employee performs no managerial functions, provides no advice, and has no ability to influence the policies, products, or business of the outside organization. Passive investments include ownership of shares in a public or private company or as an investment in a stock mutual fund or stock market index fund.
5. Substantial financial interest—a financial investment that is more than 1% of the total outstanding class of securities/capital value of an entity or represents more than 5% of the personal net worth of the employee, the employee's family members, or others with whom the C40 employee has a close personal relationship.

7.2 General Guidelines and Responsibilities

1. Employees must fully disclose through the Conflict of Interest Review Process, described below, any activity or transaction that might give rise to an actual or appearance of a conflict of interest. In some cases, an employee may not realize that a conflict exists until he or she is already engaged in the activity. In such cases, the employee should contact the Global Compliance Officer at Ethics@c40.org as soon as the employee becomes aware that the potential for conflict exists.
2. If an employee is unsure about whether a contemplated activity might constitute a potential conflict of interest, the employee should contact the Global Compliance Officer at Ethics@c40.org for guidance concerning whether disclosure through the Conflict of Interest Review Process is required.
3. Upon completion of a conflict of interest review, a conflict of interest determination will be issued by the Global Compliance Officer and approved by the Director of Corporate Services.

7.3 Examples of Conflicts of Interest

Examples of conflict of interest ("Covered Relationships") include, but are not limited to:

- familial or romantic relationships between any person and their line manager, or between employees and any board member;
- familial or romantic relationships between C40 staff or board members and suppliers, donors, grantees, beneficiaries or job applicants;
- having a financial interest in any supplier, subcontractor, customer or competitor, where the C40 employee can influence, or has the appearance of influence over, business dealings or decisions affecting that entity, except a “Passive Interest;”
- using C40 property, information or assets or an employee’s position with C40 for personal gain;
- using or diverting C40's know-how, internal information, materials, supplies or the time and services of its personnel for any purpose not compatible with C40's best interests.

7.4 Conflict of Interest Disclosure and Review Process Requirements

All C40 staff are required to disclose conflicts of interest:

- upon induction at C40,
- as soon as they arise,
- or when the staff member becomes aware of the conflict of interest.

If it is unclear whether a potential conflict of interest or appearance of conflict of interest exists, employees should contact the Global Compliance Officer at Ethics@C40.org for guidance.

7.5 Conflict of Interest Review Process

1. A request for review should contain the following information in order to assist in determining whether a conflict of interest exists and the extent thereof:
    - a description of the employee's role, duties and responsibilities at C40;
    - a description of the relationship, financial interest, role, or activity in which the employee proposes to become involved;
    - a description of the proposed relationship of the employee to the persons, entities or activities at issue;
    - a description of any relationship between C40 and the persons, entities, or activities at issue;
    - the proposed level of the employee's involvement or position with the persons, entities or activities at issue;
    - any compensation or other benefit to the employee arising from the proposed activity; and

- whether the employee expects to perform the proposed activity during C40 working hours or with the use of C40 assets.

2. Conflict of Interest Reviews will be decided on a case-by-case basis. The employee should submit a request for review in writing to Ethics@C40.org. Given the potential personal or private nature of conflicts of interest, the review process will be conducted with appropriate confidentiality and discretion.
3. Conflict of interest reviews will be determined in consultation with the employee, the employee's supervisor or functional manager, the Global Compliance Officer and others, as appropriate. In cases involving C40 Officers of the Management Team, the conflict of interest review will be conducted in consultation with Director of Corporate Services.
4. In cases where the proposed activity presents no conflict of interest, a written conflict of interest determination to that effect will be issued.
5. In cases where the proposed activity potentially presents a conflict of interest, but the potential conflict can be eliminated or mitigated by the imposition of certain restrictions on the employee's involvement in the activity or other remedial actions, a written conflict of interest determination will set forth such restrictions. A copy of this determination will be sent to the employee and the employee's line manager. An employee's failure to follow the restrictions set forth in the conflict of interest determination may result in disciplinary action.
6. In cases where the proposed activity presents an unavoidable conflict of interest, a written conflict of interest determination will be issued that prohibits the employee from engaging in the proposed activity. A copy of this determination will be sent to the employee and the employee's line manager.
7. Once a determination has been made, it continues in effect until it is reversed, modified, or withdrawn.
8. Records of conflict of interest reviews will be retained in accordance with C40's Records Retention Policy in the relevant personnel file and in the centralized conflicts of interest disclosure file maintained by the Global Compliance Officer. If the conflict relates to a procurement, a copy of the written determination will also be retained in the procurement file, if appropriate.
9. An employee may appeal the determination of a conflict of interest review to the Director of Corporate Services. In cases involving a C40 Officer of the Management Team, appeal of a conflict of interest determination may be made to the Executive Director.

7.6 Non-Covered Relationships

Not all relationships need to be processed through the Conflict of Interest Review Process. Common examples of Non-Covered Relationships include:

1. Working for any entity that is not a supplier, subcontractor, grantee, customer or competitor.
2. Acting as an employee, officer, director, partner, consultant, representative, agent, or advisor, of an entity at the request of C40.
3. Having a passive investment interest in any supplier, customer, or competitor where such interest is less than 1% of the outstanding securities/capital value of the entity and represents less than 5% of the total assets of the employee, the employee's immediate family members, relatives or others with whom the C40 employee has a close personal relationship.
4. Serving on the board of a not-for-profit entity whose activities are unrelated to C40 business or activities, and which does not seek or receive funding from C40, or a C40-sponsored organization.
5. Serving as an officer or director of an industry or professional association.

8. Doing Business with Responsible Entities Policy

C40 is committed to only doing business with responsible entities. Any engagement with non-responsible entities creates legal, operational, and reputational risks to C40.

When assessing whether an entity is a responsible entity, C40 must review factors such as the following prior to engagement:

1. Human Rights and Labour Practices, including discrimination, working conditions, fair compensation, right to association, child labour, human trafficking and modern slavery in its operations or supply chain;
2. Risk of engaging in unethical business conduct, such as bribery, fraud, or collusion;
3. Safeguarding, including sexual exploitation, abuse and harassment;
4. Risk of terrorist-financing, money laundering, drug trafficking or other sanctioned conduct;
5. Affiliation with organized crime, terrorist or extremist groups;
6. Environmental policies and impact;
7. Other Unethical Activities – such as abuse of personal data rights, gambling or the illegal arms trade; and
8. Companies involved in fossil fuels production.

In order to ensure that C40 engages only with responsible entities, C40 conducts reasonable due diligence, based on the nature of the relationship or transaction. Guidance on this due diligence is available in Appendix C to this policy.

When C40 engages any third-party as a contractor, vendor, consultant or other business arrangement (a "Third-party Representative"), (i) appropriate due diligence must be conducted on the Third-party Representative; (ii) the Third-party Representative must be engaged pursuant to a written contract with appropriate

anticorruption/ethical business conduct representations and warranties, and (iii) the Third-party Representative must, at least once every two years, sign the Ethical Business Conduct Certification.

9. Reporting Process for Concerns about Unethical Conduct

C40 is committed to promoting a "speak-up" culture where C40 staff are encouraged and empowered to voice their concerns. C40's policy on speaking up is designed to build confidence to report genuine concerns about fraud, bribery or other types of misconduct or unethical behaviour. For many cases of misconduct, an individual's reported concern is the only way it can be discovered and dealt with. All C40 staff have a responsibility to report any concerns of fraud, bribery or other illegal activity.

The issue or concern need not be known with certainty, and may even turn out to be incorrect after subsequent investigation. However, all concerns of unethical conduct or non-compliance should be reported to the Global Compliance Officer at Ethics@C40.org and/or in accordance with C40's Whistleblower policy.

Concerns may be made verbally or in writing. They should report as much detail as possible, including who, when, where, and how and whether they have evidence or the basis for their suspicion. Concerns may be reported anonymously, but people are encouraged to give their name and / or contact details as it is easier to investigate allegations when it is possible to follow up for more details from the reporting person.

C40 has zero tolerance to anyone who is found to have wilfully and deliberately made a false accusation. A false accusation is when the reporting person knowingly fabricates information or reports information they know to be false. Appropriate disciplinary measures will be taken in accordance with the C40 Group's Disciplinary Policy.

All allegations of fraud, bribery or other forms of serious unethical conduct will be reported immediately to the Director of Corporate Services. If the allegations appear to be substantiated, the Executive Director and the relevant Board(s) will also be informed. In accordance with applicable regulations or donor requirements, reports will be made to donors, other relevant oversight entities (such as the Charity Commission in the U.K.) or law enforcement.

Any questions regarding this Policy and/or the application of this policy or other applicable anticorruption laws to the particular facts and circumstances of a specific transaction may be directed to the Global Compliance Officer at Ethics@C40.org.

10. Supporting Reporting Persons

C40 has zero tolerance to any form of retaliation against Reporting Persons (also known as 'Whistleblowers'). All persons who report genuine concerns will be properly protected and supported. For more information, see C40's Whistleblower Policy.

C40 commits to take the support of Reporting Persons seriously by:

- Taking care not to underestimate or disregard the risk that a reporting person may be exposed to, or the level of fear or anxiety they may be experiencing.
- Appointing someone with responsibility for supporting the reporting person (the "Support Person"). Usually this will be their line manager.
- Providing the Support Person with relevant information to share with the reporting person.
- Assuring the Reporting Person that their concern is being handled and taken seriously.
- Explaining that their identity will be protected to every extent possible but cannot be guaranteed.
- Answering questions as appropriate and provide emotional support, but do not share confidential information with the Reporting Person.
- Informing the Reporting Person of any decision to investigate or not, investigation outcome, and actions taken as appropriate.
- Taking necessary steps to ensure the safety of any Reporting Person, even if there is a cost implication, in cases where the person experiences or fears retaliation or harassment.

11. Disciplinary Process and Grievance

Where evidence of unethical business conduct is discovered, C40's Disciplinary Policy should be followed. In accordance with C40's zero-tolerance policy, committing, or attempting to commit fraud or bribery or deliberate use of the reporting lines are acts of gross misconduct that will result in disciplinary action up to and including summary dismissal in accordance with the C40 Group's Disciplinary Policy

If staff feel like they have been unfairly treated, they can submit a grievance to HR pursuant to the Grievance Policy.

12. Responsibilities

Overall responsibility for promoting ethical business conduct has been delegated to the Executive Director by the Board of Directors. The day-to-day responsibility has been delegated to the Director of Corporate Services to act on behalf of the Executive Director.

Their responsibilities include:

- developing and maintaining effective control to help prevent or detect unethical business conduct;
- ensuring thorough and timely investigations if allegations of unethical business conduct are made;
- coordinating with HR and taking appropriate disciplinary and/or legal action against perpetrators of unethical business conduct;
- coordinating with HR and taking disciplinary action against managers where their failures have contributed to the commission of unethical business conduct;
- reporting all actual or attempted unethical business conduct where the monetary loss is in excess of $500, when donor rules or regulations require, or where there is a risk to the reputation of C40, to the Chair and/or Treasurer of the C40 entity affected and appropriate regulatory bodies (e.g. Charity Commission, donor, etc.).

Line Managers:

- are responsible for the prevention and detection of unethical business conduct by ensuring that they follow an adequate system of internal controls within their areas of responsibility and these controls operate effectively.

As a result, there is a need for all managers to:

- identify and assess the risks involved in the operations for which they are responsible;
- develop and maintain effective controls to prevent and detect unethical business conduct;
- recommend changes to internal controls that would strengthen the prevention and detection of unethical business conduct;
- ensure compliance with internal controls;
- report any instances of unethical conduct that they become aware of to the Global Compliance Officer at Ethics@C40.org; and
- ensure that agreed procedures are followed.

All Staff:

- have a duty to ensure that donor funds managed by C40 and C40's assets are safeguarded;
- should alert their line manager where they believe the opportunity for unethical business conduct exists because of poor procedures or lack of effective supervision;
- have a responsibility to report details of (a) any suspected or actual unethical business conduct, or (b) any suspicious acts or events, to Ethics@C40.org or line manager (who in turn should report to Global Compliance Officer at Ethics@C40.org);

- follow best practices with using IT services (see Information Technology Security Policy);
- be vigilant for suspected telephone calls, fraudulent/ scammed emails (phished emails), fraudulent documents such as invoices, supplier agreements, payment information forms, etc.; and
- assist in any investigations by making available all relevant information and by cooperating in investigative interviews.

Global Compliance Officer:

- should be contacted if fraud, bribery or other serious unethical business conduct is suspected or discovered;
- is responsible for investigating actual or suspected fraud, bribery or other serious misconduct;
- will report to Director of Corporate Services all cases of substantiated fraud, bribery or other instances of serious misconduct;
- will complete a review of control systems once their investigation has been completed;
- will document and maintain a log of what occurred and how to prevent in the future;
- is responsible for the day to day implementation of C40's Compliance Program; and
- is available to offer advice and assistance on risk and control issues.

The Director of Corporate Services:

- should be informed immediately if fraud, bribery or other serious unethical business conduct is suspected or discovered;
- is responsible for overseeing the investigation of actual or suspected fraud, bribery or other serious misconduct;
- will be consulted in the review of control systems once their investigation has been completed; and
- is available to offer advice and assistance on risk and control issues.

If the Director of Corporate Services is suspected or alleged to have been involved in any misconduct, the Executive Director should be contacted in the first instance.

The Head of HR will be responsible for enforcing disciplinary actions, including:

- instigating the appropriate disciplinary and/or legal action (both civil and criminal) against the perpetrators of unethical business conduct;
- taking disciplinary action against supervisors where supervisory failures have contributed to the commission of unethical business conduct;
- providing confidential advice to staff who suspects a member of staff of engaging in unethical business conduct.

In relation to C40 UK, any decision regarding whether to report an incident relating to unethical business conduct to the Charity Commission in accordance with the Charity Commission's guidance on the reporting of serious incidents, must be taken by the board of trustees.

Appendix A – Unethical Business Conduct Response Plan
Appendix B – Zero Tolerance Declaration
Appendix C – Due Diligence Best Practices

--END OF ETHICAL BUSINESS CONDUCT POLICY--